

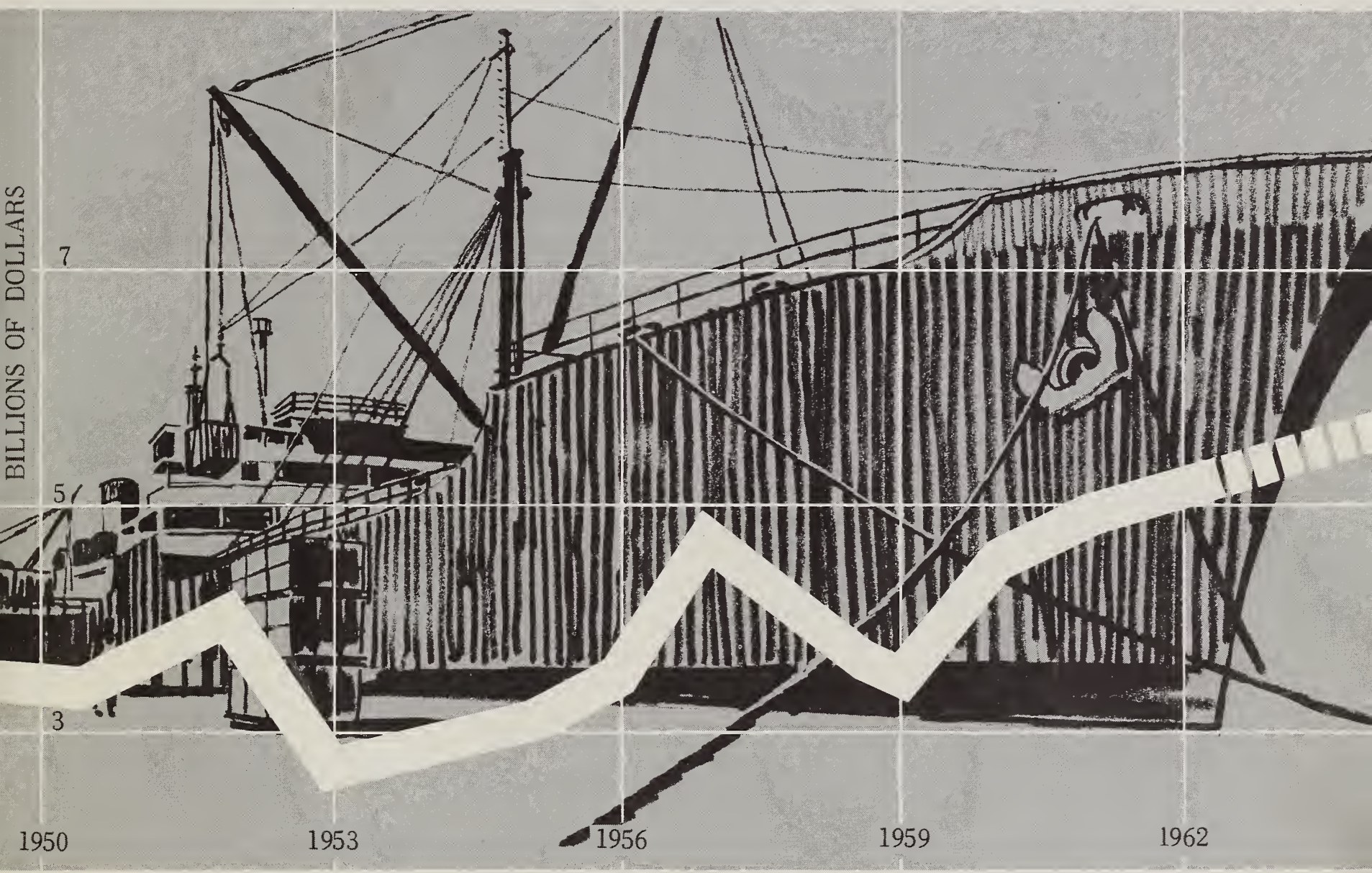
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THE FARM INDEX | October 1962

ECONOMIC RESEARCH SERVICE • U. S. DEPARTMENT OF AGRICULTURE



In this issue

FARM EXPORTS ARE RIDING A NEW CREST

Plus

THE FARMER AND SUBURBIA
NEW INDUSTRIAL CROPS
MEALS MADE EASY

ECONOMIC TRENDS

Item	Unit or base period	'57-'59 Average	1961		1962		
			Year	August	June	July	August
PRICES:							
Prices received by farmers.....	1910-14=100..	242	240	240	239	240	244
Crops.....	1910-14=100..	223	226	228	236	231	229
Livestock and products.....	1910-14=100..	258	251	250	242	248	256
Prices paid, interest, taxes, and wage rates.	1910-14=100..	292	301	301	305	305	305
Family living items.....	1910-14=100..	286	291	291	294	294	294
Production items.....	1910-14=100..	262	266	265	268	268	268
Parity ratio.....		83	80	80	78	79	80
Wholesale prices, all commodities.....	1957-59=100..		100.3	100.1	100.0	100.4	100.5
Commodities other than farm and food.	1957-59=100..		100.8	100.6	100.7	100.8	100.6
Farm products.....	1957-59=100..		96.0	96.7	95.3	96.5	97.7
Food, processed.....	1957-59=100..		100.6	100.4	99.8	100.8	101.5
Consumer price index, all items.....	1957-59=100..		104.2	104.3	105.3	105.5	
Food.....	1957-59=100..		102.6	102.7	103.5	103.8	
FARM FOOD MARKET BASKET:¹							
Retail cost.....	Dol.....		1,060	1,060	1,068	1,068	
Farm value.....	Dol.....		404	402	401	402	
Farm-retail spread.....	Dol.....		656	658	667	666	
Farmers' share of retail cost.....	Pct.....		38	38	38	38	
FARM INCOME:							
Volume of farm marketings.....	1947-49=100..	123	136	142	114	126	138
Cash receipts from farm marketings.....	Mil. dol.....	32,247	35,243	3,025	2,407	2,717	3,012
Crops.....	Mil. dol.....	13,766	15,828	1,414	873	1,209	1,363
Livestock and products.....	Mil. dol.....	18,481	19,415	1,611	1,534	1,508	1,649
Realized gross income ²	Bil. dol.....		39.9			40.3	
Farm production expenses ²	Bil. dol.....		27.1			27.6	
Realized net income ²	Bil. dol.....		12.8			12.7	
AGRICULTURAL TRADE:							
Agricultural exports.....	Mil. dol.....	4,105	5,030	391	470	402	356
Agricultural imports.....	Mil. dol.....	3,977	3,690	333	288	300	
LAND VALUES:							
Average value per acre.....	1947-49=100..		³ 175	⁴ 177	³ 183		
Total value of farm real estate.....	Bil. dol.....		³ 131.8	⁴ 133.2	³ 138.0		
GROSS NATIONAL PRODUCT ²							
Consumption ²	Bil. dol.....		518.8		552.0		
Investment ²	Bil. dol.....		338.1		354.9		
Government expenditures ²	Bil. dol.....		69.3		77.4		
Net exports ²	Bil. dol.....		107.4		116.0		
	Bil. dol.....		4.0		3.7		
INCOME AND SPENDING:							
Personal income.....	Bil. dol.....		416.4	418.3	440.7	441.9	442.8
Disposable income ²	Bil. dol.....		363.6		381.8		
Total retail sales, seasonally adjusted.....	Mil. dol.....		18,234	18,172	19,089	19,682	19,589
Retail sales of food group, seasonally adjusted.	Mil. dol.....		4,618	4,684	4,722	4,811	
EMPLOYMENT AND WAGES:							
Total civilian employment, seasonally adjusted.	Mil.....		66.8	67.0	67.7	67.7	68.2
Agricultural, seasonally adjusted.....	Mil.....		5.5	5.7	5.2	5.1	5.2
Unemployment, seasonally adjusted.....	Mil.....		4.8	4.9	3.9	3.8	4.2
Workweek in manufacturing, seasonally adjusted.	Hrs.....		39.8	40.0	40.5	40.4	40.2
Hourly earnings in manufacturing.....	Dol.....		2.32	2.31	2.39	2.39	2.37
INDUSTRIAL PRODUCTION, SEASONALLY ADJUSTED							
1957=100.....			109	113	118	119	119
MANUFACTURERS' SALES AND INVENTORIES:							
Total sales, seasonally adjusted.....	Mil. dol.....		30,730	31,380	32,960	33,490	
Total inventories, seasonally adjusted.....	Mil. dol.....		55,190	54,030	56,910	57,000	
Total new orders, seasonally adjusted.....	Mil. dol.....		30,960	32,100	32,430	33,280	

¹ Average annual quantities of farm food products based on purchases per wage-earner or clerical worker family in 1952—estimated monthly.

² Annual rates seasonally adjusted each quarter.

³ As of March 1.

⁴ As of July 1.

Sources: U.S. Department of Agriculture (Marketing and Transportation Situation, Farm Income Situation, Agricultural Prices, Foreign Agricultural Economics and Farm Real Estate Market Developments); U.S. Department of Commerce (Industry Survey, Business News Reports, Advance Retail Sales Report and Survey of Current Business); and U.S. Department of Labor (The Labor Force and Wholesale Price Index).

THE AGRICULTURAL OUTLOOK

Economic conditions in agriculture in late summer and at the outset of fall were affected by:

Relative stability in general economic conditions. The level of gross output was around 5 percent higher than a year earlier. Individual trends in the economy were diverse without clear underlying direction.

For example, automobile sales were high just before changeover; sales in August were the highest for that month since 1955. Steel production in August and to mid-September was a little higher than at mid-summer, even after correction for normal seasonal change.

On the other hand, unemployment, seasonally adjusted, increased from 5.3 percent of the labor force in July to 5.8 percent in August. The length of average work week in manufacturing was slightly shorter in August than in July. Based on August data, retail sales were about steady, as was industrial production and construction spending.

Large crop harvests underway or in prospect, though down slightly from the 1961 bumper size. The yearly index of production for all crops was indicated in September at 104, 2 points less than actual production last year. Chief reduction from a year ago was in winter wheat; its cut of 24 percent was due in large part to land retirement under the special wheat program. Production of feed grains was estimated at 2 percent less and of soybeans 3 percent less than last

year. The cotton crop was estimated over 2 percent larger than in 1961.

Dry weather in August in a number of regions reduced crop prospects somewhat from those in view earlier. It also contributed to a continuation during August of the June and July lower milk production from a year earlier. Milk production for January–August was about 1 percent above last year.

Livestock and poultry prices generally up from July to August. Prices were affected by a temporary late summer decrease in marketings of fed cattle and by a September withholding action, mainly hogs, in the Midwest. In mid-September, terminal market prices of fed cattle were about \$5 per hundredweight above a year before, and prices of hogs were up close to \$1.

Market prices of eggs in September were up from a year before. Prices of broilers were much above the very low levels of the previous year and are leading to a rapid expansion in production.

Crop prices were generally down from July to August. Prices primarily reflected seasonal harvests but generally showed little change from a year earlier.

Exports of farm products in the first half of 1962 gave promise of sustaining fairly well the record-high level of the previous year.

Cash receipts to farmers in August apparently retained a gain over a year before. In January–August, cash receipts totaled about \$20.4 billion, nearly 1 percent more than in the first 8 months of 1961. For livestock, both average prices and volume of marketings repeated those of a year before. Crops accounted for the increase in total receipts. Although a smaller volume of crops was marketed, prices were significantly higher.

Indications for all of 1962 are that prices received will average a little less than 1 percent above a year earlier and prices paid a little more than 1 percent above. Total farm output is expected to be about 1 percent less in 1962 than a year earlier; although crop output is less, livestock production may be about the same.

COMMODITY HIGHLIGHTS

Livestock: Fed cattle—some increase in supplies, along with increased production of beef from grass cattle, is expected to result in moderately lower prices this fall than late summer. . . . Feeder cattle prices are expected to adjust downward in line with the change in fed cattle prices. . . . Prices of stocker-feeder

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calves may hold more nearly steady than cattle prices. . . . **Hogs**—some seasonal increase in slaughter during late October and November is expected to be accompanied by a seasonal decline in prices. . . . **Lambs**—prices are expected to increase somewhat in November as slaughter declines with the close of the fall peak marketing period.

Dairy: Milk production in 1962 may be around 126.5 billion pounds compared with 125.5 billion in 1961. . . . A small decline in milk cow numbers this year and a continued rise in production per cow point to higher milk production in 1963. . . . **Total consumption** of milk and dairy products is expected to show an increase for 1962, but consumption from commercial outlets may drop below a year earlier. . . . This decline, and increased milk production, may bring 1962 USDA purchases of dairy products for price support near 11 billion pounds (milk equivalent) compared with 8.2 billion in 1961. . . . Unless commercial disappearance recovers in 1963, increased production could bring Government purchases above 1962 levels.

Poultry and eggs: Eggs—output in the rest of the year likely will drop back close to, but remain above, the 1961 level. A higher rate of lay is likely to at least offset a smaller number of layers in the last quarter. . . . **Broilers**—favorable prices in June–August triggered a rapid expansion in broiler production; this could result in much lower broiler prices than a year earlier in late 1962 and early 1963. . . . **Turkeys**—growers this year will raise about 15 percent fewer turkeys than in 1961. . . . Poult hatchings indicate that turkey slaughter in the last quarter may be down about 25 percent. . . . On September 1, frozen turkey stocks, at 160 million pounds, were 29 million less than last year's record holding.

Wheat: Lower stocks on hand at the beginning of the 1962–63 marketing year and decreased production this year have lowered total wheat supplies and reversed the upward trend of the last five years. . . . Stocks on hand were reduced sharply by record exports in 1961–62, and the current crop is substantially smaller than in recent years as a result of the special 1962 wheat program. . . . With total disappearance in 1962–63 expected to be greater than the 1962 crop, stocks would again be reduced. . . . **Prices** in 1962–63 are starting from a high level and may therefore show little seasonal advance. . . . With the tight supply situation, prices are likely to average above the effective price support level for the entire year.

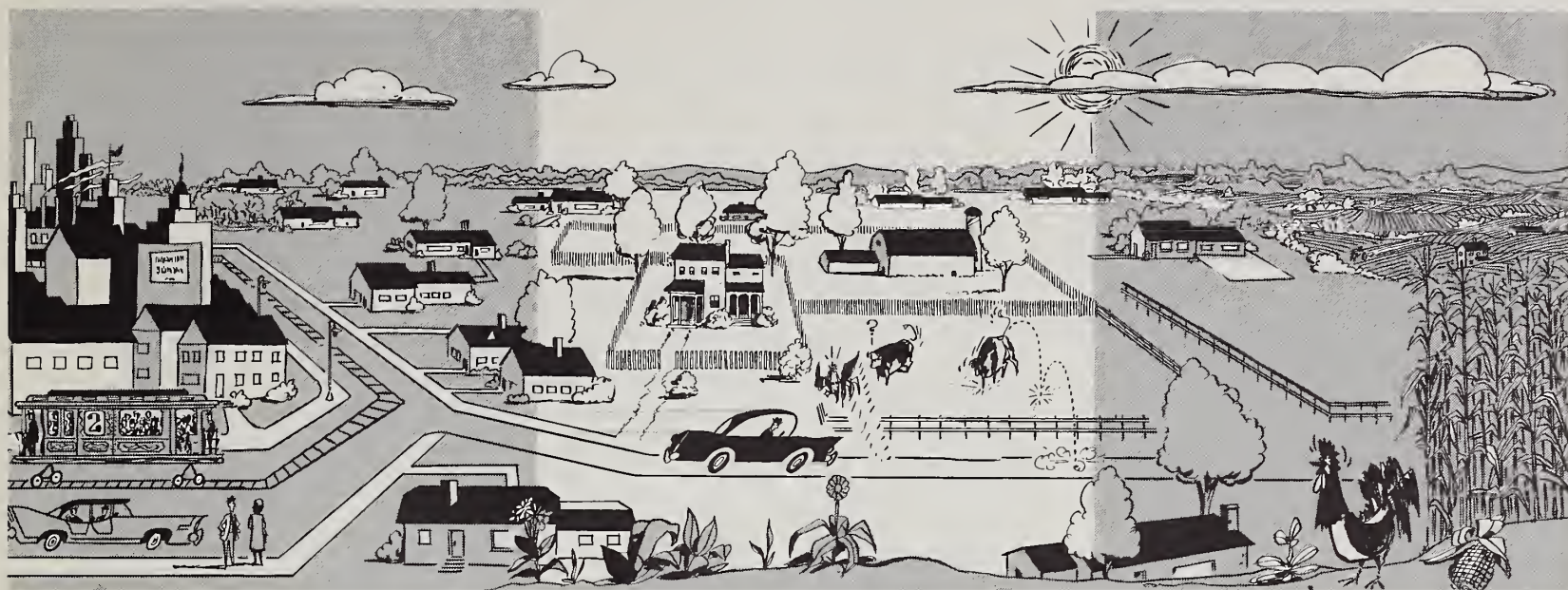
Feed grains: Production as of September 1 was estimated at 138 million tons for 1962, slightly below

1961 and 18 million tons below the 1960 record. **Carryover** of feed grains into 1962–63 is estimated to be down 12 million tons from the 85 million a year ago, and the **supply** for 1962–63 totals around 212 million tons. . . . This would be 6 percent smaller than in 1961–62 and the smallest supply in 4 years. . . . Both **domestic use** and **exports** were a record in 1961–62 and probably will continue large in 1962–63. . . . Feed grain **production** probably again will fall substantially below total **disappearance**, resulting in a further reduction in stocks at the close of 1962–63. Feed grain **prices** this fall and winter may average fairly close to the levels of a year earlier.

Fats and oils: Supplies of food fats and oils for the marketing year beginning October 1 are expected at a record 16.3 billion pounds, nearly 3 percent more than the 1961–62 record. . . . Most of the increase is attributed to soybeans and butter. . . . **Domestic disappearance** of food fats is expected to rise in 1962–63 about in line with the growth in population, leaving greater quantities of edible vegetable oils, lard, butter, and soybeans available for export compared with last year. . . . **The export outlook** is favorable for edible fats and oils in the 1962–63 marketing year. . . . Current prospects indicate that exports probably will rise 10 to 15 percent above the 4.3 billion pounds in 1961–62. . . . **Prices** received by farmers for 1962 oil-bearing crops probably will average a little below the year-earlier level.

Cotton: Carryover on August 1, 1962, was 7.8 million bales, 600,000 bales above a year earlier when the carryover was the smallest since 1953. . . . As of September 1, the **1962 crop** was estimated at 14.6 million bales, slightly above 1961 and largest since 1953. . . . The increase mainly reflects higher yields, as the harvested acreage is expected to be up only a little from 1961. . . . Spot market **prices** have trended downward in recent months. . . . The average spot market price for Middling 1-inch cotton in August was 33.36 cents per pound, down from 33.98 cents in July and 34.09 cents in June.

Vegetables: Frozen vegetables will be plentiful in the 1962–63 season, with supplies probably a little larger than a year earlier. . . . Overall supplies of **canned vegetables** are expected to be significantly larger than last season, with most of the increase likely to be in tomato items. . . . Production of late-crop **potatoes** is moderately smaller than the burdensome crop of 1961 but still in excess of normal trade needs.



FARMS SHARE CITY GROWTH PROBLEM

The population of the United States has increased by nearly 54 million people since 1940.

Half of this increase has been in open country—in unincorporated villages and the urban fringe of our big cities which haven't been prepared for such expansion.

Wherever the new communities pop up, the farmer and his neighbor from the city are apt to find themselves facing problems they didn't bargain for.

With hundreds of families suddenly at home in what was recently open farmland, there is a pressing need for schools, roads, and other public services, all of which cost money. Chances are the money will have to come from local property taxes. Such taxes bear more heavily on the farmer who is apt to feel that he had all the schools and roads he needed before his countryside was invaded.

The cost of urbanization is only part of the farmer's problem. For every acre converted to urban uses, 3 more acres go out of agriculture. Two of these acres go into a "ripening" stage for possible later use as

developments. The third remains idle. The unused land reverts to weeds and brush. The once lovely countryside that lured the city dweller to open spaces is now gone to seed.

The city dweller also may find that living next door to a farm brings problems. Spraying and dusting, for example, all in a day's work on the farm, can be a nuisance and even a hazard when pesticides drift across homes.

Citizens Seem Unaware

Despite these seemingly obvious problems, neither the farm nor the city population seems much aware of what is happening.

Just take a look at one rural township. Alaidon Township lies next to Lansing in central Michigan. It is relatively isolated but will soon be crossed with a freeway that will bring the center of the township to within 15 minutes of downtown Lansing. But, as a recent study of the area showed, farmers had, by and large, neither plans for nor any very clear picture of what faced them.

Most farmers, for instance, expected housing developments to spread out from Lansing in a slowly spreading wave. The farmers were largely unfamiliar with the leapfrog nature of housing developments in most metropolitan areas.

More than 80 percent of the farmers indicated that any sharp rise in land values, assessments, or taxes would probably drive them out of business. But few noted the connection between higher taxes and housing developments.

Everyone, farmer and city man alike, gains from the orderly planning of the changeover from rural to urban uses of land.

The first step in this direction is some sort of land-use plan for the urban-rural area. The second is zoning. Zoning provides the followthrough. It establishes a reasonable guide for expansion of the city into farmland and protects both residential and farm areas from being crowded by conflicting activities.

Taxation is another means to curb uncontrolled use of land.

States Try New Tax Laws

The tax plan receiving the widest attention is the preferential assessment. New Jersey, California, Florida, and Maryland have tried such an approach. The Maryland law, for example, states that "... the legislature may provide that land actively devoted to farm or agriculture shall not be assessed as if subdivided or on any other basis." These laws, however, have encountered many legal and administrative difficulties.

Another device to avoid a forced increase in farm taxes is the tax deferral. This procedure, by which only part of the tax levy is paid currently, accomplishes much the same thing as preferential assessment—it lowers the farmer's tax bill. In addition, however, deferrals recoup taxes on the nonagricultural value of farmland at the time of sale.

Purchase of development rights by the State is still another way States could keep farmland in operation during the transition from rural to urban uses.

Farmers Should Be Heard

Several innovations in cross-community governments have been tried recently in various parts of the country in the attempt to solve areawide problems with a minimum of conflict.

One such development is the consolidation of city and county governments, as in Baton Rouge, La. This combined city-county government, with representation for both groups, provides for services like public health, roads, police and fire protection. Separate tax levies, however, are applied to the rural and urban areas.

The urban county offers another attempt to solve the problem. The urban county, functioning like a city government, usually offers urban services only in urban areas and traditional rural services in the country. The farmer thus is required to pay only for services that he receives.

Farm Exemptions on Personal Property Taxes Vary Widely From One State to Another

The 50 States of the Union have 50 different ways of taxing personal property used in farming.

Delaware, Hawaii, and New York, for example, limit their property taxes to real property, exempting all personal property. And Alaska taxes personal property as well as real property only when it falls within city limits, which in practice just about eliminates taxes on agricultural property.

At the other extreme, Rhode Island, Illinois, Missouri, Virginia, Arkansas, Montana, and Nevada do not exempt any of the categories of personal property used in the report. These categories were: farm tools and machinery; livestock; poultry; growing crops; stored crops and seed; tractors; and farm trucks and automobiles used in production.

The tax status of personal property on the farm is not so clearly spelled out in other States.

Nine States completely exempt farm machinery and tools, while eight grant partial exemptions. Iowa puts a \$300 limit on its partial exemption. Connecticut puts the ceiling at \$3,000.

When it comes to livestock, there are just as many variations. Seven States don't tax livestock at all. Seventeen States grant partial exemptions. Wisconsin, for instance, takes horses and mules off the tax rolls entirely, while Texas assesses all livestock except buffalo and catalo (a hybrid of bison and cattle) used for breeding experiments or kept in parks. Presumably either species is subject to taxation when not so exempt.

Other States exempt a certain number of animals on a farm, and yet others exclude all animals under a certain age. By and large, States that exempt livestock also exempt poultry from the rolls.

Growing Crops Exempted

Some 23 States bypass growing crops entirely in levying their property taxes. The States that do tax growing crops do so generally when their value is at a minimum.

Once harvested, of course, crops are in a different category altogether, a category which once again is subject to all the variations of tax, no tax, and partial tax.

3.5 Million Workers on Farms Earn Average of \$6.50 per Day

Preliminary estimates of the 1961 hired farm working force indicate that nearly 3.5 million persons worked on farms for wages at some time last year. This represents little change from the 3.7 million hired workers on farms in 1960. Average daily earnings from farm wages for all workers amounted to \$6.50 in 1961, compared to \$6.25 a year earlier.

Many Worked Month or Less

Of the 3.5 million total, 1.6 million worked an average of 10 days on farms and an average of 41 days at nonfarm work for total earnings of \$473. Most of these workers were students and housewives who were employed on farms during periods of peak labor needs. Close to 1.9 million workers averaged 134 days of farmwork, earning \$881. Their average earnings from farm and nonfarm wages totaled \$1,054.

Most Workers Nonmigratory

Roughly nine-tenths of all farmworkers are local residents—the rest are migratory. Three-fourths of the migratory laborers were hired more than 25 days at farmwork, compared to about half of the nonmigratory workers. Daily earnings of nonmigratory workers rose slightly in 1961.

FARMS CUT 2 MILLION ACRES A YEAR

Agricultural land is being converted to other uses at the rate of approximately 2 million acres per year, according to a recent ERS report.

Approximately 1 million acres each year goes into areas such as highways, roads, and airports; the other million acres is used for special purposes such as rural parks, wildlife refuges, national defense areas, water supply facilities, and flood control areas.

Most of the land absorbed by these developments comes directly out of agricultural production: 40 percent from cropland and grassland pasture, 40 percent from forest, and the remaining 20 percent from idle land.

Report Latest in Series

Based on data from several Government agencies, the report is the latest of a series of publications issued at 5-year intervals since 1910, showing acreage of land used for crops, pasture and range, forest and other purposes. Acreage irrigated and dryfarmed, acreage drained, and other information on water use practices is included.

The 50 States of the Union cover an area of 3,615,211 square miles of land and water. This includes 2,271 million acres of land and 43 million acres of water.

Of the land area, 20 percent is cropland. Grassland pasture and range account for another 28 percent; forest and woodland areas total 33 percent of the land area. Urban and built-up areas and special use areas cover 7 percent of the land. Some 12 percent of the total land area is used either for miscellaneous purposes or is classed as wasteland.

More than half the total cropland of the United States lies in the 12 North Central States. There was a total decline of 20 million

acres in cropland between 1950 and 1960. Approximately 6 million acres of this went into urban and other special uses, and 14 million acres went into pasture and forest.

Most Land Privately Owned

The largest portion of the land in the United States is privately owned—59 percent in 1960. Indian ownership accounts for another 2 percent. The Federal Government administers 34 percent and another 5 percent is owned by State and local governments.

Conservation practices were used on the equivalent of 300 million acres, or 18 percent of all farm and woodlands in the 48 contiguous States in 1959.

The 17 Western States, with a long-term annual water supply of roughly 375 million acre/feet, have less than 30 percent of the water in the United States. Yet this same area accounts for more than 85 percent of all water consumed in the United States, a figure which includes more than 90 percent of all irrigation. The 31 Eastern States, on the other hand, with more than 70 percent of the Nation's water supply, account for only 15 percent of total consumption.

• • • • •
Value Keyed to Sales
 • The average farm with sales of \$2,500 or more in 1959 had land and buildings valued at \$53,900, the equivalent of \$3,856 for each thousand dollars of sales.
 • On farms with sales of \$50 to \$2,499, real estate averaged \$12,300 per farm, or \$9,287 per thousand dollars of sales.
 • Farms at the upper end of the scale, with sales of \$40,000 or more, averaged \$253,400 worth of land and buildings per farm, \$2,710 for each thousand dollars of sales.
 • • • • •

Farm Assets Increase \$7 Billion As Values of Real Estate Rise

The Nation's farm assets increased by \$7.3 billion in 1961 to a new high of \$207.3 billion at the beginning of 1962. Most of the increase was in value of real estate, which went up \$6.2 billion to a total of \$138 billion.

Increased farm income in 1961 is credited with boosting farm real estate values by 5 percent last year, compared with increases of only 1 percent in 1960 and 3 percent in 1959.

Purchases Increased

Farmers bought \$3.1 billion in new farm machinery, cars, and trucks during the year. The total value of all equipment on farms increased slightly to \$18.2 billion.

Farmers' money in pocket and in bank deposits increased slightly, but their holdings of U.S. savings bonds decreased by an equal amount, leaving liquid assets at \$13.3 billion, about the same as last year.

Inventories of livestock and crops increased about \$700 million each. At the beginning of 1962 they stood at \$25 billion. Farmers' investments in cooperative organizations increased about \$200 million to \$4.5 billion.

Farms Upped Debts

Farmers' debts increased \$2.2 billion during the year to a total of \$27.7 billion. Almost half of the increase was in real estate debts, much of it resulting from expanding sizes of farms.

Debts on January 1, 1962, amounted to 13.4 percent of the value of farm assets, compared with 12.7 percent a year earlier, 9.5 percent in 1950, and 18.9 percent in 1940.

Owners' equities, the difference between assets and liabilities, increased \$5.1 billion during the year to \$179.6 billion.

1961 Net Income on Most Types of Farms Rose \$373 Over Preceding Year's Average

Net incomes were higher in 1961 than in 1960 on 27 of the 39 important types of commercial farms in the United States, according to the 16th annual report on farm costs and returns. Net income per farm for all farms in the United States last year averaged \$3,401 compared with \$3,028 in 1960.

In 1961, production expenses per farm for all farms in the United States reached a new high for the eighth time in a row. They averaged \$7,056 per farm.

Western Livestock Ranches

Net ranch income in 1961 ranged from 9 to 26 percent higher than a year earlier on cattle ranches. It was around 15 percent lower on the sheep ranches, the lowest in 5 years.

Many ranches suffered severe drought for the second or third year in 1961. Although livestock prices improved from 1960 to 1961, sheep prices reached a 15-year low.

Dairy Farms

Increases in net income for 1961 were due mostly to greater milk production per farm. Record high crop yields on all types of farms provided more than enough home-grown feed for the livestock.

Cash expenses increased, from a year earlier, largely because of increases in taxes, feed, farm machinery, and wage rates.

Tobacco Farms

Net farm incomes were higher in 1961 largely as the result of an increase in prices for flue-cured tobacco. Tobacco yields per acre averaged 40 pounds more than the previous year's record high and cotton yields were 60 pounds above 1960.

Egg Producers

Although net income was \$485 lower in 1961 compared to 1960, it was the second highest since 1953.

Egg production increased 8 percent from a year earlier and prices paid for feed decreased 2 percent. The upswing in egg production was due to greater rate of lay per bird and larger flocks.

Tobacco-Livestock Farms

Net farm incomes were higher in 1961 than in 1960, due mainly to increased production of tobacco and record high prices. Burley allotments were increased by 6 percent for 1961 and yields per acre were relatively high. Dairy operations produced more milk and had higher returns.

Corn Belt Farms

Corn Belt returns increased in

1961 as a result of greater hog production, higher prices for hogs and soybeans, increased Government supports and payments, and record or near-record crop yields. Production per cow, total production, and milk prices were all up for farms with dairy enterprises.

Prices paid for production needs were at a record high. Livestock expenses, machinery, seed, and taxes all cost more.

Wheat Farms

Net incomes on farms in the important wheat-producing regions varied all the way from \$351 to \$12,195 in 1961.

Although prices received for products were from 5 to 22 percent higher, severe drought affected yields so much that cash receipts on some farms weren't enough to cover expenses, including depreciation and interest on investments.

NET INCOME IN 1960 AND 1961 BY SELECTED TYPES OF FARM

TYPE OF FARM ¹	NET INCOME	
	1960	1961 ²
Cattle ranches:		
Southwest	\$7,485	\$8,167
Intermountain	8,711	10,028
Northern Plains	4,980	6,277
Sheep ranches:		
Southwest	10,121	8,652
Northern Plains	8,031	6,831
Dairy farms:		
Eastern Wisconsin, grade A	5,858	6,938
Eastern Wisconsin, grade B	2,799	3,467
Western Wisconsin, grade B	3,636	4,360
Central Northeast	4,234	4,590
Southeast Minnesota, dairy-hog	3,552	4,490
Tobacco farms, North Carolina:		
Small Tobacco	3,010	3,234
Medium Tobacco-cotton	3,491	3,864
Large Tobacco-cotton	4,718	5,275
Egg producers, New Jersey	5,158	4,673
Tobacco-livestock farms, Kentucky Bluegrass:		
Tobacco-livestock	7,318	7,451
Tobacco-dairy, ungraded milk	2,494	2,909
Tobacco-dairy, grade A milk	4,657	5,122
Corn Belt farms:		
Hog-dairy	4,807	6,174
Hog fattening-beef raising	3,225	3,982
Hog-beef fattening	5,857	8,126
Cash grain	7,671	8,878
Wheat farms:		
Pacific Northwest:		
Wheat-fallow	11,868	11,940
Wheat-pea	11,136	11,434
Northern Plains:		
Wheat-roughage-livestock	5,559	1,423
Wheat-small grains-livestock	5,099	351
Wheat-corn-livestock	5,673	5,753
Southern Plains:		
Wheat	10,666	10,619
Wheat-grain sorghum	12,161	12,195

¹ Data on broiler and cotton farms not available.

² Net farm income is the return to operator and unpaid members of his family for their labor and management on the farm and return to total capital. No allowance is made for payment of rent, interest, or mortgage.

Farmers Market \$5 in Produce To Earn \$1 in Income for Families

In order to have \$1 of earnings left for his family, a farmer must sell approximately \$5 worth of products from his farm. This was the conclusion of a recent study on resource requirements.

Following the rule of thumb of \$1 out of \$5, gross sales of \$13,400 to \$26,800 would be necessary to give a farm operator an income of \$2,500 to \$5,500 yearly. Incomes in this range are roughly equal to wages for skilled and semiskilled nonfarm workers.

Farms Were Budgeted

In order to find the relationship between gross and net income, budgets were made for 8 types of farms in 13 States to determine how much land, labor, buildings, livestock, and other capital investment are required to give incomes of \$2,500, \$3,500, \$4,500, and \$5,500 with the least cost per unit of output. Types of farms analyzed were dairy, beef cattle, hog-beef, wheat, cotton-wheat, cotton, potato-general, and apple. Farms were located in New Jersey, Pennsylvania, Wisconsin, Minnesota, Utah, Oregon, South Carolina, Oklahoma, Nevada, Iowa, Washington, Mississippi, and Idaho.

Investments Are Large

All the budgeted farms had large capital investments—the range was from \$57,000 to \$111,000 per farm, with more than two-thirds of the investment in real estate. Interest on this capital investment was the farmers' biggest expense item, taking nearly a fourth of their cash outlay. The cost of operator and hired labor was the second biggest expense, and depreciation on machinery, buildings, and so forth ranked third. The cost of hired labor increased the fastest of all expense items as the operator's earnings moved up.

The maximum amount of operator labor used for farmwork was

set at 2,500 hours a year, approximately 48 hours a week. Any additional labor was hired and no limit was set on it or on the amount of customwork such as baling or combining.

Results of this study further illustrate the rapid changes in the amount of resources needed to produce given incomes. With insufficient resources and incomes, many

farmers find it necessary to add to their incomes by working off the farm, or they leave agriculture altogether. Because of this joint effect, the total number of farms with gross sales of at least \$10,000 has grown by two-thirds. Low-income farmers usually lack adequate resources and frequently can't make the best possible use of what they do have.

STUDY RATES USE OF FEED PROGRAM

Surveys of farms in eight important feed grain areas in Ohio, Minnesota, Iowa, Kansas, and Texas indicate that larger farms under intensive cultivation were more likely to be signed up in the 1961 feed grain program. Farms of participants were anywhere from a shade bigger to 45 percent larger than those of nonparticipants.

By and large, farms in the program also had a larger proportion of land in crops and their feed grain bases were larger. On irrigated farms in Texas, farmers who signed up for feed grain payments used irrigation on nearly half of their cropland, compared to a third of cropland irrigated on nonparticipating farms.

Acres Cut More Than Needed

Farmers receiving payments often reduced their acreages of corn and grain sorghum by more than the minimum required to obtain the payment. Acreage in oats on participating farms was cut about half. At the same time, the farmers increased their acreages of soybeans by 10 to 50 percent.

Farmers in the program had less cropland in hay and pasture and had less livestock than operators not signed up. Participating farmers were about equally divided on whether they planned to produce more livestock in the 1961-62 feeding year. A larger proportion of nonparticipants said they would feed more stock.

Decisions Applied to Farms

Farmers said they generally based their decision to cooperate in the 1961 feed grain program on how it applied to the operations on their particular farm. The indications are that tenant operators and part owners who frequently were cash grain farmers were the most favorable toward joining the program. Full owners and livestock farmers often were the least favorable.

Hatchery Numbers Drop

Within two and a half decades, hatchery numbers have dropped from 11,405 to 3,513 while the total number of chicks hatched increased about fivefold. In the same period, annual capacity of the average hatchery zoomed from 4,000 chicks in 1934 to over 140,000 in 1961.

These statistics come from two parallel studies conducted in North Carolina and New England.

According to the North Carolina study, the average total in-plant hatching cost per chick for the biggest hatcheries (annual capacity above 400,000 chicks) was 1.6 cents. For the smallest hatcheries of 40,000 capacity and under, in-plant hatching costs were 6 cents per chick.

The New England study indicated that additional costs of delivery were at times more than a fourth of a cent per chick.

*New crops may bring added income to farmers, but not unless
the crops can pass survival tests in the market place*

NEW CROPS EYED FOR INDUSTRIAL USE

Kenaf, crotalaria, sesbania. Rapeseed, cape marigold, and Indian ironweed. Guar.

Unfamiliar names? Wait awhile. Some of these potential industrial crops may one day be as commonplace on the farm as the recently exotic soybean, now the Nation's No. 4 cash crop, or safflower, which started from nowhere a few years ago and now covers 600,000 acres of farmland.

But before these crops get into production—if they ever do—they have to answer the basic question—will they sell?

This work on potential industrial crops is a joint effort of the physical scientists in the States and in the Agricultural Research Service, and economists in the Economic Research Service who concentrate on the marketing followthrough. Because of our abundant supply of food and feed, major emphasis in the Department of Agriculture's new crops program is directed at crops that can be used for industrial purposes.

Three Types Were Studied

In their current study, the scientists chose three types of industrial

crops for preliminary evaluation: annual crops to provide raw material for the pulp and paper industry; new oilseed crops for industrial oils; and guar, a summer legume and source of natural gum.

Some annual plants which are technically suitable for pulp and paper production are kenaf, hemp, crotalaria, sesbania, okra, and sorghum. If they pass all their physical and economic tests, these crops could accomplish two things. They could relieve the mounting pressure on our forest resources. At the same time, they could provide an alternate crop for acreage now planted to surplus commodities.

The economists compared yields and returns for the pulp crops with corn and wheat in North Central States, using low- to high-yield lands in their models. At the bottom of the scale, where wheat is 15 bushels per acre, the pulp crops must yield 2.1 tons of dry matter at \$18 per ton. And at the other end of the range, where the measure was corn at 80 bushels per acre, the yield of pulp crops would have to be 10.3 tons of dry matter, with a market price of \$12 per ton.

Experimental plantings indicate that the pulp crops could be successful, provided research can make some improvement in present yields.

These are the advantages:

- They do a better job than unblended woodpulp in supplying specialty needs such as certain printing and writing papers, and cigarette, carbon, saturating, and twist papers.

- The annual crop pulps mixed with short-fiber hardwood pulps offer blends like softwood-hardwood pulp.

- They are multipurpose crops and can be used to build soils. They have seeds with feed or other industrial values and, because of their growth characteristics, aid in prevention of erosion.

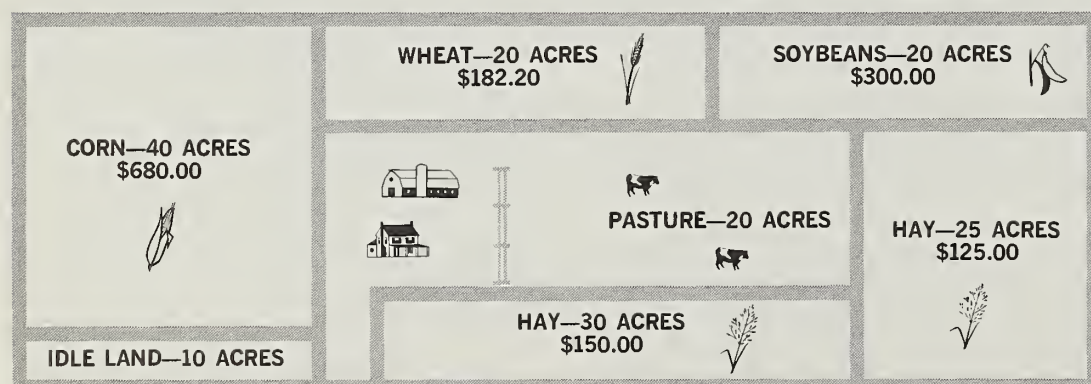
- By keeping land in annual crops, they would help to avoid the disruptive changes in tax bases and labor needs that occur when a local agricultural economy shifts from annual crop production to timber.

- They give the possibility of improving pulp quality more rapidly through genetic research than is presently possible with timber.

Five Oilseeds Checked

The researchers considered five groups of new oilseed crops. They were: (1) high erucic acid oilseeds

New industrial crops can be fitted to the existing farm pattern. A pulp crop with a net return of \$13.70 per acre introduced into the farm plan would add over \$200 to farm income, with a supplementary use of underemployed resources, and without additional capital investment.



U.S. Department of Agriculture

Neg. ERS 1419-62 (9) Economic Research Service

Crop net returns, 1954-59 yields, prices, Midwest: total \$1,437.20.

such as rapeseed, Abyssinian kale, and other members of the mustard family; (2) high petroselinic acid oilseeds such as parsley and other members of the carrot family; (3) cape marigold, a member of the sunflower family from South Africa; (4) Indian ironweed; and (5) balsam apple.

The present principal commercial source of high erucic acid oil is rapeseed. There are several potential uses for this oil, and, in fact, it is already being put to some limited industrial use. Researchers in Canada have already done some work to develop a market for rapeseed oil in multipurpose lubricants and greases.

Industrial Uses

The industrial uses for these new oilseed crops range all the way from the manufacture of multipurpose lubricants, plasticizers, and hydraulic fluids, to pharmaceuticals, cosmetics, and perfume fixatives.

The estimated yields needed to make them profitable alternative crops ranged widely. For instance, it would take only 378 pounds per acre of Indian ironweed to make it a reasonable substitute for flaxseed. On the other hand, it would take a yield of 4,250 pounds per acre from cape marigold before it would be a profitable substitute for cotton.

This means a lot more research is necessary before the commercial future of any of these new oilseed crops can be forecast accurately.

Guar Grown in Southwest

Guar, the third industrial crop studied, is already being grown in Texas and Oklahoma. Production of this versatile crop has been on the wane recently in the southeastern part of Texas. Nevertheless, the crop is expanding in northwest Texas, where the economics of production are better suited to it. This area is the one domestic source of guar and supplies only a small part of our needs for the gum.

The endosperm of guar can be turned into a flour or gum which works as a stabilizer and gel former in such foods as frozen desserts, icings, and gelatin products. It can also be used in separating and refining ore, and in the manufacture of textiles, paper, and printing ink. The germ of the seed yields a 48-percent protein meal useful in livestock feeds.

Other Expansion Factors

Expanded production of guar would be helped by locating processing plants nearer production areas. It would also help to develop grades and standards suited to the wide range of market qualities of the beans. As for the plant itself, further research might develop smooth-leaf varieties that could better be planted in alternate rows with cotton without resulting in too much trash in cotton, varieties that could be harvested earlier, or plants that could do with a shorter growing season.

High-Volume Truck Pickup Routes Cut Egg Assembly Costs 15-45%

Many midwestern egg assemblers can cut their assembly costs 15 to 45 percent by rerouting their trucks, using set-in stations, paying price differentials for higher volume, and paying more attention to procurement and assembly problems. These findings are revealed in a recent study of seven firms in Minnesota, Wisconsin, and Iowa.

Rerouting Cuts Costs

Rerouting trucks to increase the volume at each stop is one way to cut costs. Using substations where a number of outlying farmers could deliver their eggs would also increase the volume of pickups and help reduce costs.

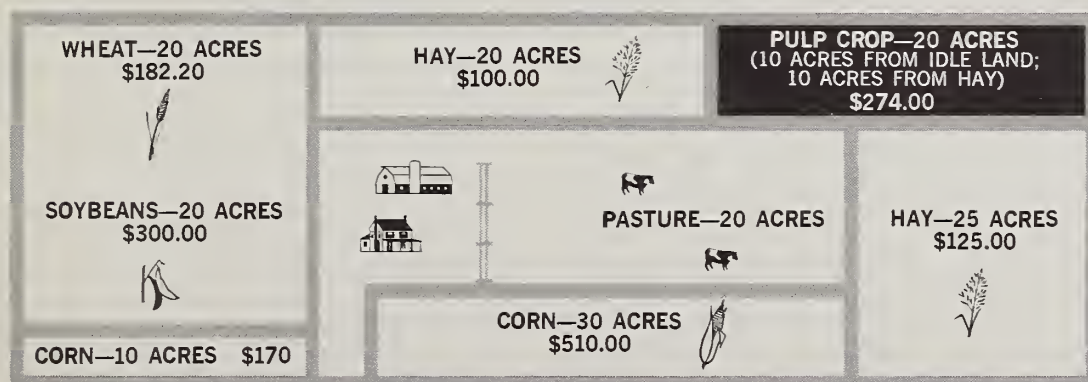
The study of 20 egg assembly truck routes showed that only 5.4 percent of the volume of eggs collected came from 23 percent of the more than 800 farms included in the survey. For the most part, these farmers get the same price for their eggs as larger producers, despite higher pickup costs.

Plotting pickup routes to determine mileage between farms and number of cases per stop is a simple but useful way to reorganize routes and reduce costs per case.

Truck costs for the 20 assembly routes in the study ranged from a low of 5.7 cents to 36.2 cents per case. Labor costs ranged from 10.2 cents to 30.9 cents per case. The lowest total assembly cost per case was 20 cents; the highest, 53.1 cents.

Egg Production a Sideline

In many parts of the Midwest, egg production is a sideline to more profitable farm production. The result often is small-scale production scattered over a wide area. Some assemblers have overcome this difficulty by showing farmers on their routes how to make more money by increasing the volume of their egg production.



U.S. Department of Agriculture

Neg. ERS 1420-62 (9) Economic Research Service

Crop net returns after addition of a pulp crop: total, \$1,661.46.

WEST'S SHARE OF FRUITS, VEGETABLES RISING

The 11 Western States will provide a growing share of the total U.S. output of processed fruits and vegetables in the next 15 years, according to a recent study of production and marketing trends.

By 1975, the West is expected to produce 50 percent of the Nation's processed vegetables, compared to 43 percent, or approximately 3.5 million tons, in 1960. Use of processed vegetables has increased substantially in the last 20 years, and now about equals the quantity used fresh. Economists expect greater future use of processed vegetables.

Mild climate, good soils, and a long harvest season have been key factors in the large-scale production of fruits and vegetables in the West. Another important element has been the development of new freezing and drying techniques which help western producers reach more distant markets.

Sales of fresh fruits from the West, other than citrus, accounted for approximately 50 percent of U.S. production in 1960, and the

West's proportionate share of the market is expected to increase during the next 15 years. On the other hand, only small gains in citrus production are likely in the 11 Western States. U.S. citrus production should increase substantially, but Florida is likely to capture the largest share of the increase.

A major share of the Nation's fruit processing is also done in the West. This includes practically all drying and approximately 75 percent of canning and other forms of processing such as freezing and dehydrating. The West should continue to be the major supplier of this market except for citrus.

90 Percent of 1961 Pecan Crop Sold to Buyers as Shelled Nuts

Within 30 years the pecan shelling and processing industry has become a thriving, often highly automated industry. Shellers and processors handled 164 million pounds of in-shell pecans in 1960-61. More than nine-tenths of them were marketed as shelled nuts.

Pecan shellers, who sell pecan kernels, and processors, who clean, bleach, polish, and package unshelled pecans, are located mainly in the 11 States that make up the pecan belt. The States are North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Louisiana, Arkansas, Texas, Oklahoma, and New Mexico.

In 1960-61, bakeries and bakery suppliers purchased 36 percent of all pecans sold by the pecan shelling industry. The combined buying of grocery wholesalers and retailers totaled 20 percent. Confectioners used 19 percent and ice cream manufacturers, 6 percent. The remainder was used by salters, repackers, and mail order gift packers of pecans.

Covered Hopper Railcars Compete With Boxcars in Carrying Grain

The covered hopper railcar, originally designed to carry such bulk commodities as fertilizer, phosphates, and flour, is attaining recognition as a bulk grain carrier.

Ease and speed of unloading, plus added protection against leakage and spoilage en route, make the hopper railcar competitive with conventional boxcars. Recent innovations in construction, notably the substitution of aluminum for steel, have made possible covered hopper cars with a payload of up to 3,000 bushels of grain, compared with 1,800-2,000 bushels for boxcars.

Large, covered hopper cars are expensive, but start to have an economic advantage over boxcars at 10,000 miles' annual use, according to a current ERS study. And the greater the annual use, the bigger the economic advantage of the covered hopper car. The high fixed capital costs can be spread over a larger number of ton-miles.

Even if earning revenue for only one-half of total miles, hopper cars can compete effectively with boxcars utilized for two-thirds of total miles. ICC studies indicate that these are logical rates of use for both types of car.

Ads Add Up

Total advertising expenses for food manufacturing, wholesaling and retailing corporations came to approximately \$1.5 billion in 1961, compared with \$609 million 10 years earlier.

Of the 1961 total, 75 percent was spent by manufacturing firms, 7 percent by wholesalers, and 18 percent by retailers, according to a recent ERS study.

Between 1950 and 1959, most food manufacturing industries more than doubled their expenditures for advertising. The biggest increases were in amounts spent by bakeries, up from \$57 million to \$121 million; fruit, vegetable, and seafood canning industries, from \$57 million to \$145 million; and dairy product industries, from \$54 million to \$136 million.

Got a Light?

Americans are now smoking 503 billion cigarettes a year, nearly 4,000 per person of smoking age, compared with only 600 per person 40 years ago. If all of smoking age smoked, this would average out at about half a pack a day for each. Consumption dropped in 1953 and 1954, partly due to publicity concerning smoking and health. Since then, more people have been lighting up every year. Cigarettes in 1961 accounted for 83 percent of all tobacco consumed in the United States.

10 MOST CONCENTRATED FOOD MANUFACTURING INDUSTRIES¹

Industry ²	Year	Companies	Percent of total value of shipments accounted for by—	
			4 largest companies	20 largest companies
		Number	Percent	Percent
Cereal breakfast foods.....	1958	34	83	99
	1947	55	79	98
Flour mixes.....	1958	109	75	94
	1947	115	41	78
Corn wet milling.....	1958	53	73	99
	1947	47	77	99
Cane sugar refining.....	1958	16	69	100
	1947	17	70	100
Biscuit and crackers.....	1958	253	65	82
	1947	249	72	86
Beet sugar.....	1958	15	64	100
	1947	17	68	100
Margarine.....	1958	22	62	(3)
	1947	17	64	100
Special dairy products.....	1958	186	51	75
	1947	97	62	91
Concentrated milk.....	1958	149	50	73
	1947	182	50	76
Shortening and cooking oil.....	1958	66	49	97
	1947	68	59	99

¹ Industries with the 4 leading firms accounting for the largest proportion of total shipments in 1958.
² Industry categories are based on the 1945 version of the Standard Industrial Classification. ³ Data not available.

Food Manufacturing Industry Shows No Trend Toward Concentration of Company Ownership

The four top firms in each of 11 food manufacturing industries—out of a total of 25—increased their share of business between 1947 and 1958. In 1 industry there was no change, and in 13 industry groups the leading companies declined relative to total business.

As a whole, food manufacturing industries are showing no trend toward concentration of ownership.

The top manufacturers of U.S. farm-grown foods had about the same proportion of total industry shipments in 1958 as they did in 1947, according to a recently issued report by the Bureau of the Census.

Though leading firms increased their share of business in some food manufacturing industries, decreases in other industries offset those that rose.

The largest gain was in the flour mix industry. The four top firms moved from 41 percent of total shipments in 1947 to 75 percent in

1958. The greatest decline was in the poultry dressing industry, where the share of business done by the top four companies dropped by 20 percentage points during the study period.

Cereals Most Concentrated

The cereal breakfast food industry has the greatest amount of concentration. For this group, the four largest firms had 83 percent of total industry shipments in 1958 and the eight largest had 95 percent. In six other industry groups, the four largest firms had 50 to 75 percent of the total value of shipments and the eight largest had 70 percent or more.

Multiunit firms in the food and kindred products industry have increased slightly their share of total business at the expense of single-unit firms. In 1947, multiunit firms accounted for 61 percent of the

value added by manufacturing. In 1958, the figure was 69 percent.

By and large, the type of financial organization remained the same. Corporations owned 52 percent of the establishments in the food and kindred products industry group in 1958, compared with 49 percent in 1947.

Streamlined Operations Reduce Costs for Feed Mixing Industry

The feed mixing industry has increased production by more than a third in the past 15 years, and it has done it with only about 5 percent more employees.

Stepped-up, streamlined operations have come about in response to the widespread changes in livestock and poultry production and the increasing competition in the feed industry itself.

Plants Compared

To get a better idea of relative costs in the mixing operation—as well as potential savings—researchers plotted costs for two model set-ups. The smaller model had a capacity of 80 tons per 8-hour shift; the larger one, 200 tons.

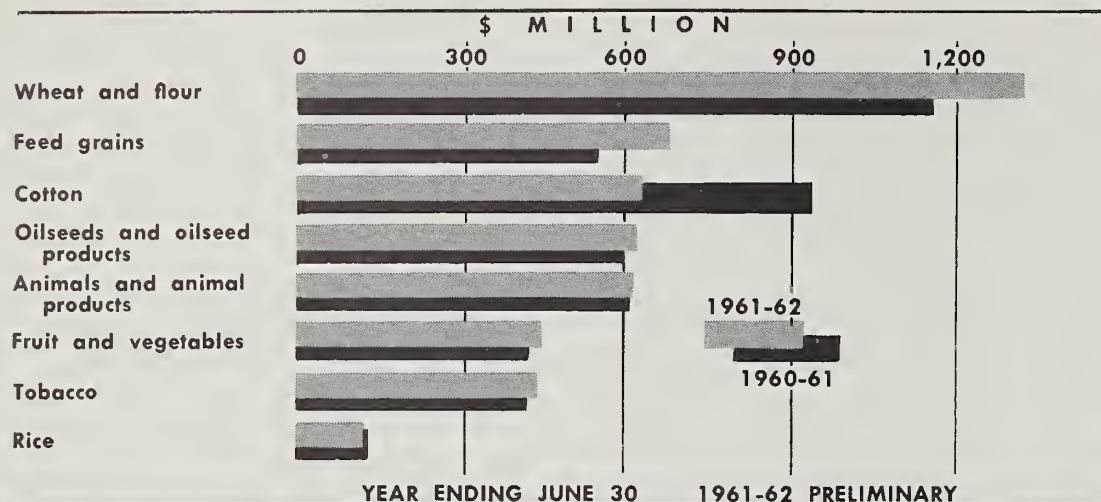
Working just one shift, the smaller plant can mix a ton of feed for 84 cents, using mixing equipment that costs about \$49,000. The larger model can do the job for about 20 cents less per ton, using equipment worth close to \$80,000.

Volume Reduces Costs

And if the market is available, either plant could cut costs further by increasing the number of shifts and spreading fixed costs over a greater volume. Doubled shifts would cut mixing costs by 12 cents a ton for the smaller model and by 8 cents a ton in the larger one.

When output for the smaller plant is the same as the larger one—by putting it on a 2½-shift day—mixing costs are 73 cents a ton, compared with 63 cents for a one-shift day in the large plant.

MAJOR EXPORTS BY VALUE



U.S. Department of Agriculture

Neg. ERS 1421-62 (9) Economic Research Service

FARM EXPORTS RIDING NEW CREST

From Rotterdam to Manila, more people bought more U.S. farm products in the year ended June 30 than ever before in history. Germans ate more American fried chicken. Brazilians baked more bread with U.S. wheat flour. Throughout Japan more livestock were fattened on Iowa corn.

Farm export figures, estimated by ERS foreign economic specialists, show that U.S. shipments abroad topped the previous record for the second year in a row.

For U.S. farmers, this record export year means that the equivalent of 15 percent of all cash receipts from their farm marketings came from sales of food and fiber in foreign markets.

By value, exports in fiscal 1962 climbed to more than \$5.1 billion, 4 percent higher than in 1961. Of this total, nearly 70 percent, or \$3.5 billion, were dollar sales. The other 30 percent or so moved under Government aid programs to developing nations.

Most food sent abroad under Public Law 480 and other aid programs is sold for local currency, much of which is used to help finance the country's economic development. Part, however, is available to the

United States to help defray U.S. embassy and other expenses within the country.

By volume, we shipped slightly more farm products than last year. Foreign markets took over half of all the wheat, rice, and dried peas we produced; two-fifths of the tallow; and about one-third of our tobacco, cotton, soybeans, nonfat dry milk, and hides and skins.

Feed grain exports, up 31 percent by value from 1961, accounted for the biggest gain in dollar sales. Other dollar gainers were wheat, tobacco, soybeans, fruits, and animal products. Rice, variety meats, animal fats, hides and skins, and dairy products showed little if any change. However, dollar exports of cotton declined by one-third.

Western Europe's rapid increase in economic activity, up 4 percent from last year, was the biggest reason U.S. farm exports broke past records. Over 45 percent of all exports went to West European markets.

But U.S. efforts to expand our markets abroad also contributed. USDA and industry groups have been conducting a vigorous market promotion program in trade centers around the world. The Govern-

Growing prosperity abroad and U.S. market promotion in more than 50 countries helped farm exports top the previous record

ment has also redoubled its efforts to negotiate favorable terms of access for U.S. farm products in the European Common Market and elsewhere. And it has encouraged exports through competitive pricing, in some cases by using export payments.

FEED GRAINS (EXCLUDING PRODUCTS).—Shipments at 14.1 million metric tons, 3 million more than last year, were mostly corn exported in the second half of the year. Exports of other major feed grains—oats, barley, and sorghums—were below last year.

Canada, West Germany, the United Kingdom, Japan, and U.A.R.-Egypt all bought substantially more U.S. grain for feed. Canada used U.S. shipments to top off stocks reduced by the 1961 drought in the western plain provinces. The United Kingdom switched to corn in place of other grains.

Generally, however, higher U.S. exports were due to the rapid in-

Top 10 Customers for U.S. Farm Products

	1960-61	1961-62
Million dollars		
Japan	553	486
United Kingdom..	467	459
Canada	*325	*431
West Germany---	320	416
Netherlands	324	348
India	346	235
Italy	213	191
U.A.R.-Egypt ----	100	161
Belgium-Luxem-		
bourg	131	130
Spain	157	126

*Does not include intransit commodities placed in bonded storage in Canada and used to "top off" ships moving through the St. Lawrence Seaway. These intransit commodities amounted to \$70 million in fiscal 1961 and \$90 million in fiscal 1962.

crease in livestock numbers in Japan and Western Europe. Consumer demand for meat and meat products is climbing fast in both areas as the growing economy provides more jobs, higher wages, and greater consumer purchasing power.

WHEAT AND GRAIN EQUIVALENT OF FLOUR.—Exports of 716 million bushels were higher than 1961 by 55 million bushels. Both commercial sales for dollars and shipments under Government-financed programs were up. Over 7 million bushels moved for the first time under Title IV (long-term dollar credit sales) of Public Law 480, a cornerstone of our program to aid developing nations.

Total wheat and flour exports to Brazil, Chile, the Netherlands, Yugoslavia, and Turkey went up considerably. But there were big reductions in our exports to Italy, Poland, and India.

MEAT AND MEAT PRODUCTS.—Total exports of \$627 million were slightly higher than last year. Gains in tallow, variety meats, and poultry meat were about offset by the drop in exports of lard and other products. Smaller lard shipments reflected the loss of our Cuban market and increased production in Europe.

FRESH AND PROCESSED FRUITS.—Exports rose to an alltime high, at \$282 million compared with \$254 million in 1961. Fresh apples and canned fruits showed marked gains, with smaller increases for raisins, prunes, fresh oranges, and fruit juices.

Bigger exports were stimulated by Western Europe's relaxed trade restrictions and small deciduous crop. Another factor was the larger U.S. production of apples and oranges coupled with lower prices.

VEGETABLES AND PREPARATIONS.—Total exports estimated at \$136 million were up \$8 million from 1961. White potatoes and canned vegetables gained while dried beans dropped considerably. Larger bean

crops in Latin America, apparently coupled with carryover of canned stocks in Western Europe, helped to reduce our own bean shipments. More foreign sales of white potatoes were due to the big 1961 harvest in the United States and lower production in Western Europe.

Stepped-up sales of canned vegetables, again mostly to Western Europe, reflected the gradual easing of trade barriers within the European Common Market and consumers' rising standard of living.

SOYBEANS.—U.S. exports of this versatile bean have shot up from 20 percent of world trade a decade ago to an estimated 33 percent in 1962. Shipments totaling 147 million bushels toppled the previous record of 143 million bushels set in 1961.

Many West European countries in recent years have bought soybeans in place of vegetable oils in order to get byproduct protein meal for livestock. Exports have also been encouraged by our own bumper crops and the small amounts of beans that Communist China has had available for export.

COTTONSEED AND SOYBEAN OILS.—Not counting donations under Government aid programs, exports of 1.2 billion pounds were about equal to last year's level. However, including donations, exports were up 16 percent. About 60 percent of vegetable oil shipments were made under Government-financed programs.

COTTON.—The sharp decline, from 7 million running bales in 1961 to only 4.8 million this year, can be traced primarily to smaller sales in Western Europe and Japan.

One reason U.S. sales declined is that, with cotton consumption down, some importing countries drew from stocks on hand. Also, U.S. cotton ran into more competition from foreign-grown cotton in world markets.

TOBACCO.—With smokers abroad using 3 percent more tobacco every year, U.S. exports, at 520 million pounds export weight, topped last year's 504 million pounds. But most of the increased foreign demand was met by higher production in other countries, chiefly Rhodesia-Nyasaland, Greece, and Turkey.

EXPORTS TAKE BIG PART OF U.S. FARM OUTPUT

Commodity	Unit	Exports			Export share of total production		
		Fiscal year			Fiscal year		
		1954-60 average	1960-61	1961-62	1954-60 average	1960-61	1961-62
Wheat.....	bu.....	1 391.6	1 660.9	716.5	Percent 36	Percent 49	Percent 58
Dried edible peas.....	cwt.....	1.2	1.8	2.0	36	56	57
Rice (milled basis).....	cwt.....	15.2	21.5	20.4	43	56	54
Hops.....	lb.....	14.9	17.2	18.3	34	37	52
Tallow.....	lb.....	1,229.6	1,465.7	1,631.5	40	38	44
Nonfat dry milk.....	lb.....	521.3	633.8	809.2	35	33	39
Cotton.....	bale.....	4.6	7.0	4.8	34	49	34
Soybeans.....	bu.....	2 139.9	2 228.7	236.6	32	41	34
Dried prunes.....	lb.....	91.1	72.7	85.8	30	26	31
Tobacco (farm sales weight).....	lb.....	548.6	569.5	584.5	28	29	29
Raisins.....	lb.....	93.6	123.5	127.9	23	32	28
Rye, grain.....	bu.....	5.4	7.7	7.5	21	23	27
Barley, grain.....	bu.....	73.4	83.0	81.7	19	19	21
Cottonseed.....	ton.....	3 1.4	3 1.2	1.1	25	20	19
Grain sorghums.....	bu.....	54.4	86.4	85.8	15	14	18
Dried whole milk.....	lb.....	39.2	19.0	14.3	37	21	17
Lard.....	lb.....	522.9	490.1	432.9	20	21	17
Corn.....	bu.....	149.4	260.7	388.8	4	8	11
Dry edible beans.....	cwt.....	2.6	2.3	1.7	15	13	8
Flaxseed.....	bu.....	6.7	7.0	1.5	18	23	7

¹ Includes grain equivalent of flour. ² Includes bean equivalent of oil. ³ Includes seed equivalent of oil.

CARIBBEAN MARKETS MOSTLY SUNNY

Despite political and economic changes in the Caribbean, U.S. agricultural exports to the area have shot up by nearly half since 1955.

Even with Cuba out of the picture, the area took \$52 million worth of our farm products in calendar year 1961 alone. Most of these exports were food.

This year the United States has greatly increased trade with the Dominican Republic (see page 17).

Also, Jamaica and Trinidad-Tobago, both newly independent, may be expected to step up trade with the United States. These islands already account for over half our export business in the Caribbean.

Only Haiti at the moment shows little promise as a growing U.S. export market. Here the Government has had to curtail imports since the drop in world market prices of coffee and sugar, Haiti's principal export crops.

Major U.S. Exports

Wheat and wheat flour are our top Caribbean dollar earner. Cake and other specialty flours also find ready markets.

More baby chicks and live cattle for breeding are going to the Dominican Republic and other islands trying to expand their poultry and livestock production. And if production is expanded, this will probably mean bigger markets for U.S. feed grains.

Markets in Island Groups

Apart from the larger independent islands, the Caribbean is studied with tiny island dependencies of Britain, France, and the Netherlands. Trade in the French and most British islands is oriented toward the mother country. The British islands share in Commonwealth preference which gives an advantage to imports from such countries as the United Kingdom, Canada, and New Zealand. Nevertheless, the United States, a nearer source of supply, may expect to find its markets here expanding as tourism and economic growth provide more jobs and more consumer purchasing power.

The Netherlands Antilles, for example, imported U.S. farm products valued at \$8.7 million in 1961,

primarily rice, wheat flour, and poultry. Prospects for larger U.S. markets are good in this island group, although U.S. exporters can expect increasing competition from U.K. and Dutch suppliers.

U.S. exports to the French Antilles have increased slightly in the last 3 years due to larger shipments of meat, grains, and pulses. This area offers an expanding, if modest, market because of increased income and improved living conditions in all sectors of the economy.

New Island Republic of Jamaica Faces Continuing Farm Problems

Jamaica may now trade more with the United States than it did as a British colony.

The island republic will retain special trade advantages in British markets as a Commonwealth member. But the United States is geographically nearer, and Jamaica's agriculture to some extent complements our own.

During the last decade food imports have jumped from 20 percent to 30 percent of the total food supply because of the failure of farm output to keep pace with the rapidly growing market. Jamaica has been trying to become more self-sufficient in food production, even to the imposition of some import controls.

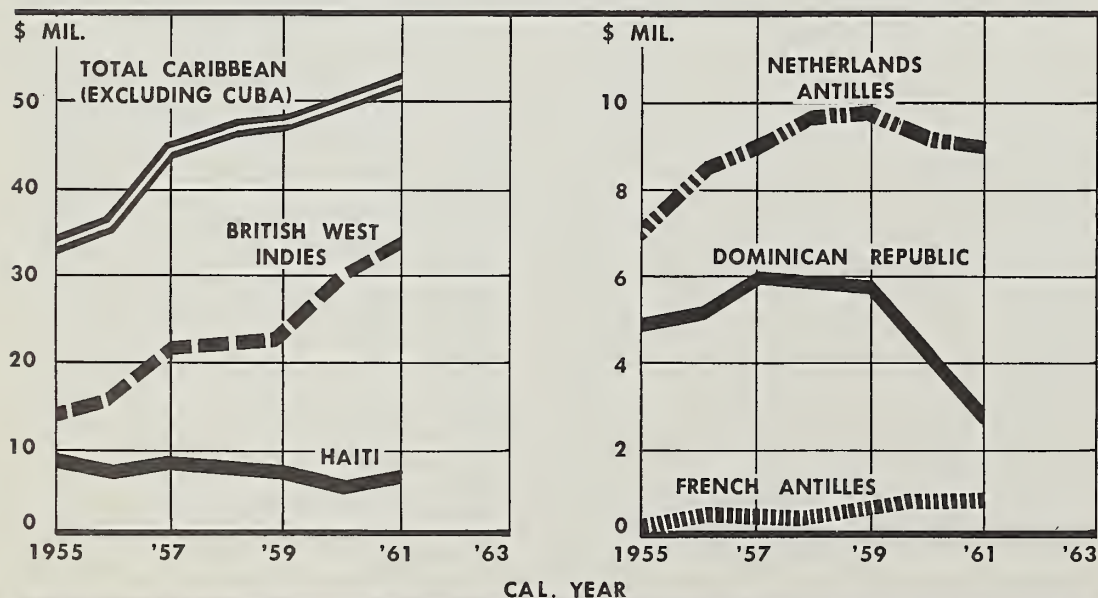
To study the island's farm production and marketing potential, an ERS marketing economist spent last year on loan to the United Nations Food and Agriculture Organization as FAO Marketing Adviser to the Jamaican Government.

His study points out that Jamaica has been aptly called the *land of samples*. Agriculture there is a checkerboard of tiny farms, 5 to 25 acres in size, producing small quantities of some U.S.-type crops as well as about 150 products not grown commercially in the United States. In addition, there are a small number of large estates producing primarily for export.

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U.S. AGRICULTURAL EXPORTS TO THE CARIBBEAN



More Food Crops

Producing fewer crops in larger quantity for domestic and export markets would do much to strengthen Jamaica's economy. This shift from subsistence to commercial agriculture would mean more jobs, higher per capita income, and larger foreign exchange earnings. An expanded research program is needed to find out which crops are best suited to commercial production in Jamaica, and which offer the greatest marketing potential.

Jamaica's marketing system could be substantially strengthened. Most locally grown foods are now marketed by *higglers*, farm wives who collect neighbors' produce, set up shop in Government-provided open-air markets and sell their yams, bananas, fish, and other produce without refrigeration or other sanitary safeguards.

A few supermarkets are now operating, but it will be some years before *higglers* are replaced by modern retail marketing systems.

Findings stress the need for a Government-financed program to give systematic and continuing direction to marketing improvements. Consolidation of Government activities in production and marketing would also help to strengthen Jamaica's agriculture.

Food Deficit in Chile

The Chilean Ministry of Agriculture recently announced that large food imports will be necessary in 1962, due to domestic agricultural deficits.

According to these estimates, Chile will have to import: 320,000 metric tons of wheat, 12,000 tons of feed grains, 237 million liters of fluid milk or its equivalent, 8,000 tons of lard, 3,500 tons of inedible tallow, 4,000 tons of edible tallow, 50,000 head of slaughter cattle, 10,000 tons of frozen beef and veal, 700 tons of tobacco, 180,000 tons of sugar, and 22,500 tons of cotton.

Dominicans Begin Economic Rally With Alliance for Progress Help

This is a go-ahead year for the Dominican Republic. In January the Organization of American States, following the Trujillo ouster, lifted its economic sanctions against the country, and the Dominican Republic joined the United States-Latin American Alliance for Progress. In the first half of 1962, U.S. farm exports to the island were twice those shipped in 1961.

The new democratic Government has moved fast to revive the economy and institute social reforms. Aided by a long-term U.S. credit of \$25 million, it has already launched programs for land reform, agricultural extension, farm credit, rural education, farm-to-market roads, and reforestation.

Part of the U.S. credit is also being used to shore up Dominican finances, left destitute when the Trujillo family walked off with the country's capital.

The Dominican economy is being helped too by increased U.S. purchases of sugar. In the first half of 1962 the Dominican Republic stood second only to the Philippines, and first in Latin America, as our chief foreign supplier of sugar. Moreover, U.S. sugar quotas for 1963 and 1964 will assist the country in maintaining this position for the next 2 years.

Meeting Food Needs

Despite larger sugar exports to the United States, the Dominican Government plans to diversify the sugar-based economy and produce more food crops for domestic use. Under Trujillo the Dominican people had one of Latin America's poorest diets.

Today employment is up, most workers have received wage increases, and there is a greater demand for food. Many retail food prices have risen, and the Government has taken action to stabilize prices. However, some food shortages are appearing.

Less Wheat in Uruguay

Extremely dry weather throughout most of the grain farming areas of south and west Uruguay has dried out the soil to such an extent that farmers are unable to prepare seed beds.

In late June, when the fall-winter planting season is ordinarily about half gone, it was estimated that less than 25 percent of the wheat crop had been planted.

Early estimates of total acreage to be planted indicate a crop of 10 to 15 percent below last year. This would result in less than 988,000 acres planted.

Big Step Is Agrarian Reform

Most important action to date in the Dominican Republic is perhaps the Government's move toward agrarian reform. An estimated 1 percent of the farms cover 20 percent of the country's arable land. At the same time, one-half of all farms average 3 acres or less.

The new agrarian reform law sets up an Agrarian Institute to distribute land to needy families, build homes, and develop a low-interest credit system for small farmers.

The institute will also establish training programs, help provide seeds and equipment, and guide new farmers in selecting the most profitable crops.

Finally, the institute will promote marketing cooperatives to handle farm produce sales, and try to attract more industries that use farm products in manufacturing.

Future U.S. Markets

Most of the Dominican Republic's import needs, farm and non-farm, have long been met by the United States. With personal income up, population growing rapidly, and the economy gradually regaining its momentum, the post-Trujillo republic may well become one of our most important markets for its size in Latin America.

New Zealand Raises Restrictions On Most Agricultural Imports

Trade controls introduced by New Zealand this summer have resulted in a lower duty on tobacco but tighter restrictions on most other agricultural imports from the United States.

The lower duty, negotiated at the recent GATT conference, is 42 cents a pound, compared with the previous 52 cents. However, the concession on tobacco should result in little if any gain to American growers because of stepped-up production of the crop in New Zealand.

Unmanufactured tobacco from the United States, with an export value of \$5 million in 1961, is the largest single item in the list of American agricultural products going to New Zealand.

Farm products altogether make up a small part of our total exports to New Zealand, amounting to \$7.7 million in 1961 in a total export trade of \$68.3 million.

In turn, New Zealand shipped some \$130.7 million in goods to this country last year. All but \$4.7 million of that total were agricultural products.

After tobacco, sausage casings are the next most important U.S. agricultural export to New Zealand. In 1961 they were worth \$1 million. Imports of sausage casings are now subject to licenses which cannot exceed 75 percent of the 1960 licenses when our exports were only \$500,000. The same limit applies to raisins, worth \$400,000 to U.S. exporters in 1961 and 1960, and to prunes, worth \$300,000 both years.

Other principal agricultural exports from the United States affected by the new trade rules are: oranges, vegetable oils and fats, field and garden seeds, and milled rice. These, and most other agricultural exports from the United States to New Zealand, are now subject to individual licenses or quotas, which will, to some degree, restrict our exports.

Private Plots Compete With Czech Collectives

A David-and-Goliath contrast has emerged in a new ERS study of agriculture in Czechoslovakia. The Goliath is socialized agriculture; David, what's left of private enterprise.

Since the Iron Curtain rang down on Czechoslovakia in 1948, the Communists have waged a long campaign to socialize agriculture. Today about 80 percent of the country's farmland is under Government control, either in state-owned farms or closely regulated collectives.

Family Plots Big Producers

Left in private hands are a relatively few small farms in hilly Slovakia, plus household plots of about 1½ acres which members of the collectives are allowed to cultivate for their own needs.

However, the private household plots, representing only 5 percent of total farm acreage, produce over 60 percent of the eggs and more than 35 percent of the milk and meat.

Despite their production records, these small plots are looked upon with disfavor by the regime. Government officials claim that the bad showing of the collectives is partly due to members spending too much time on their private plots.

Total Production Down

Total agricultural production is still running about 13 percent below prewar. Outputs of beef, milk, eggs are all below the prewar aver-

age, partly because of shortages of livestock feeds. But the drive to communize agriculture is also to blame. Rather than turn over the required livestock when their farms were collectivized, farmers simply slaughtered the extra animals.

Today Czech newspapers report that the mortality rate is higher, productivity lower, among livestock on the collectives than among privately owned animals. Chief reasons for this are poor management and lack of interest on the part of member farmers in improving collective stocks.

Mismanagement is also evident in the failure of the socialized sector to increase crop production in proportion to increased capital inputs. On paper, use of commercial fertilizers, in terms of pure nutrients, is up 400 percent from prewar. But continued low yields suggest that much fertilizer either is wasted through faulty application, or is being illegally used on private plots.

Food Imports High

Fortunately for the Czechs, the country is able to import considerable quantities of foodstuffs. Long an industrial nation, Czechoslovakia produces and exports manufactured goods in exchange for industrial raw materials and many foods.

Prewar, some 90 percent of Czech foreign trade was with present free world countries; now about 70 percent is with the Sino-Soviet bloc.

Although the national diet returned to the prewar average some years ago, there are sporadic shortages of some foodstuffs, mainly animal products. Failure of Czech farmers to increase production to meet demand and inefficiencies in distribution have necessitated rationing of selected foodstuffs through the use of queues, bread coupons, and limiting of retail store sales hours.

Rice for Red Goals

Red China bought 350,000 tons of rice from Burma in 1961, but the Chinese people got only 55,000 tons.

The rest went to fill Peking's commitments to such countries as Cuba and Ceylon, despite food shortages in China.

TIMESAVING FOODS SAVE MONEY

A new study shows us that we are spending about \$14 on convenience foods for every \$100 we spend on food. The same foods, if we bought them fresh, would add another dollar to our food budgets. And, of course, the convenience foods save time as well as money.

You can have your cake and eat it, too. You can serve up a devil's food cake out of the box and save money—about a penny a serving—while saving time.

And that's just the dessert end of the story. On the average, those timesaving foods in your freezer and cupboard save enough to make them a shade kinder to your food budgets than their fresh counterparts.

According to ERS researchers, we spend close to \$14 on convenience foods for every \$100 we spend on food. It would cost us an extra dollar to buy the same foods fresh, not to mention the fact that it would cost minutes to hours more in the kitchen, as every busy housewife knows.

Researchers Went to Stores

For a year the researchers followed the paths of housewives through markets in Philadelphia, Oakland, Milwaukee, and New Orleans, checked prices month by month, and finally came up with a list of the 158 convenience foods that we ordinarily buy.

The list ranges from the latest ultimates in cooking convenience such as complete meals—cooked, frozen, and ready to heat and serve—to old standbys like canned peas that we are so used to we have forgotten they weren't always on the grocery shelves.

Researchers then matched the convenience food with its fresh counterpart, comparing prices, actual servings for the money spent, and the amount of time needed to prepare them.

They discovered that most con-

venience foods are more expensive than their fresh counterparts—about 116 of the 158 items on the list. But the remaining 42 items were enough less expensive to make the combined list of convenience foods cheaper than the fresh equivalents.

Orange Juice Is Prime Example

The outstanding example of a convenience food that saves you money is frozen concentrated orange juice. A 4½-ounce serving costs 4 cents. From fresh oranges, one serving costs some 7½ cents. Juice from fresh oranges not only costs more but takes twice as long to prepare.

Instant coffee is another example of a convenience food that saves money as well as time. A cup of instant coffee costs about a penny; regular coffee about a half cent more—and just about twice as much time in the kitchen.

Instant coffee, however, cuts a few more pennies out of the food budget than these figures show, because of the volume we buy. For instance, using concentrated orange juice cuts 71 cents off the food bill. Instant coffee reduces the bill by 96 cents.

Other leading cost savers in the convenience food list are frozen lima beans; canned items such as orange

SELECTED COST-SAVING CONVENIENCE FOODS AND THEIR HOMEMADE OR FRESH COUNTERPARTS

Kind of food and size of serving	4 servings	
	Retail cost	Preparation time in home kitchen
	Cents	Minutes
Lima beans (2.9-oz. serving):		
Frozen.....	28	6
Fresh.....	48	30
Orange juice (4.4-oz. serving):		
Frozen (concentrate).....	16	2
Fresh (home squeezed).....	30	4
Spaghetti in tomato sauce with cheese (8.9 oz. serving):		
Canned.....	34	3
Home prepared.....	42	15
Devil's food cake (1.7-oz. serving):		
Mix.....	10	2
Homemade.....	14	10
Beef stew (8.6-oz. serving):		
Canned.....	71	2
Home prepared.....	77	30
Peas (2.8-oz. serving):		
Canned.....	20	1
Fresh.....	52	23½
Coffee (1 cup serving):		
Instant, with 1 rounded tsp./cup.....	4	1
Regular, roasted with 2 tbsp./cup.....	6	2

juice, spaghetti in sauce, and chicken chow mein; and devil's food cake mix. Serving for serving, they are cheaper than their fresh counterparts by 20 to 60 percent.

Only Working Time Counts

Of course, they all save time, too. They reduce actual working time by anywhere from a minute or two to nearly an hour for each item.

And when the economists made their comparisons, they counted only the time actually spent preparing the food. They didn't include the time it took to cook it.

Adding them all up, here's the way convenience foods balance out with fresh ones.

\$14 for Convenience

For every \$100 we spend on food, a little over \$14 is spent on convenience foods. Of that figure, \$12.55 goes for foods produced on U.S. farms that would cost \$12.82 fresh. Another dollar is for instant coffee which would amount to \$1.96 in the ground form. Instant tea and tea bags add up to about 23 cents, while regular tea would amount to only about 9 cents. Seafood products take 25 cents of the money spent on convenience foods, 2 cents more than their fresh counterparts.

All together, convenience foods work out to \$14.03 per \$100 in food purchases. The fresh forms of the same foods would cost \$15.10.

More Detergent, Less Soap

The average American uses 27 pounds of soap and synthetic detergents combined during the year. He has been using roughly this much ever since the mid-1940's, but he is using different dirt chasers for laundry and washing.

Per capita use of soap was 24 pounds in 1947. Today, however, the average American uses only 7 pounds of soap during the year.

He makes up the difference with about 20 pounds of synthetic detergents. In 1947 he used only about 3 pounds of detergents.

Synthetic detergents have just about taken over laundry, dishwashing, and cleaning chores. Milder working soaps, on the other hand, still hold their own in the bathroom.

Cost of Marketing Nation's Food Rose 2% to \$41.4 Billion in 1961

Americans spent \$62.2 billion in 1961 for foods originated on farms in this country. This was \$1 billion more than in 1960.

Since 1950, total civilian expenditures for domestic farm foods have risen by one-half. About one-third of the increase is the result of higher prices. The rest is due to greater volume of food sales.

The cost of marketing these foods was \$41.4 billion last year. It was up about 2 percent from a year earlier, compared with an average annual increase of 5 percent since 1950. The total marketing bill rose almost three-fourths in the 11-year period. It accounted for 67 percent of our expenditures for these foods in 1961 and 58 percent in 1950.

Farm receipts from these foods rose slightly in the past year to \$20.8 billion, compared with \$17.6 billion in 1950. Over the 11 years, the farm value of food rose much less than the marketing bill, and in some years actually dropped.

Net gain in farm value for the 1950-61 period is entirely the result of greater volume of sales. Farm prices have dropped about 6 percent since 1950.

The marketing bill is the estimated total cost of assembling, transporting, processing, wholesaling and retailing domestic farm-grown foods bought by civilians in this country. It is the difference between what we pay for these foods and what farmers receive for an equivalent quantity. The marketing bill doesn't include exports, or foods that go into nonfood uses, or foods that never leave the farm. However, the bill does include the higher retail cost of food we eat in restaurants.

Farm to Table—The Consumers' Marketing Bill, 1950-61

Year	Total marketing bill ¹	Farm value	Civilian expenditures for farm foods
	<i>Billion dollars</i>	<i>Billion dollars</i>	<i>Billion dollars</i>
1950-----	23.9	17.6	41.5
1951-----	26.4	20.0	46.4
1952-----	28.3	19.8	48.1
1953-----	29.2	19.1	48.3
1954-----	30.0	18.4	48.4
1955-----	32.0	18.3	50.3
1956-----	33.7	18.7	52.4
1957-----	35.2	19.5	54.7
1958-----	36.8	20.8	57.6
1959-----	39.2	20.0	59.2
1957-59 average-----	37.1	20.1	57.2
1960-----	40.5	20.7	61.2
1961 ² -----	41.4	20.8	62.2

¹ Difference between civilian expenditures and farm value. ² Preliminary.

Estimates in this table do not cover Alaska and Hawaii because of inadequate data.

Beef on the Hoof Isn't T-Bone

When choice steers are selling for 25 cents a pound live on the farm, it's a bit of a jolt to find that a good T-bone is \$1.20 on the retail counter.

Enough of a jolt to make us wonder about the difference. All that for the cost of marketing beef?

No indeed. Marketing margins for beef add up to about 30 cents. That plus the farm price makes 55 cents. So where does the other 65 cents go? It's hidden in statistical averages on the farm and at the retail counter.

Steers Aren't All Steak

Look at it this way. On the farm a 1,000-pound steer is worth 25 cents a pound, but it's not all steak. Some 550 pounds of the animal end up as hide, liver, heart, fat, bone, and even waste. For this part of the steer the farmer gets something less than 4 cents a pound. But for the 450 pounds that will end up as beef on the retail counter, he averages about 50 cents per pound. At the other end of the line, the retail price

for all cuts of this choice beef averages 80 cents a pound.

The 30-cent difference covers all that happens to beef on the way from feedlot to retail counter.

To spell it out step by step, the farmer gets 50 cents a pound for the 450 pounds of meat sold at retail. The packer gets around 10 cents a pound for his services and the retailer 20 cents.

Now add another 40 cents as the cost of a taste for steak—and you have your \$1.20.

Prices Show Supply, Demand

A lot of people like a good steak and are willing to pay for it—70 cents a pound more than the farm value of the meat. It takes about 1,000 pounds of steer to put 30 pounds of T-bone, porterhouse, or club steak on the butcher counter. The high price keeps people's taste for steak in line with the supply.

At the same time, the steer yields 150 pounds of hamburger and stew meat. You can buy it for 58 cents a pound—just a little more than what the farmer got for the meat part of his animal.

Aside from steak and hamburger, a carcass of beef is made up of about 90 pounds of chuck steak, 40 pounds of rib roast, 50 pounds of sirloin, 20 pounds of rump roast, and 70 pounds of round steak.

RURAL COLLEGIANS HOLD THEIR OWN

A recent study at Iowa State University, with ERS, indicates that although children in rural areas may not receive as good a high school education as urban youngsters, they can make satisfactory progress in college.

Records of 2,200 freshmen entering ISU in the fall of 1955 revealed that twice as many rural as urban students entered with specific credit deficiencies—usually math.

Rural youths fell considerably below their urban counterparts on the college entrance examinations. This was related to the size of the graduating class—students from smaller classes tended to have lower exam grades. The average size of graduating classes in rural high schools was 33—compared to 196 in urban high schools.

Their deficiencies in high school preparation apparently weren't insurmountable because the college grades of rural students did not differ greatly from those of urban students. However, graduation with honors was less frequent among rural young people.

Rural Students Caught Up

Out of the freshman class of 2,200, two-fifths were from rural

areas and boys outnumbered girls 3 to 1. Most enrollees were 17 to 19 years old and entered college the fall after high school graduation.

Most of the girls, whether from rural or urban areas, enrolled in home economics. Over half of all boys enrolled in engineering and one-fourth in agriculture. Agriculture attracted more than twice as many rural as urban students, but both groups were equally represented in engineering. The science fields drew more urban students. Of the small number of rural youths who did enroll in science, half were in preveterinary medicine.

Researchers also found that rural students are more apt to enter college with a specific occupational objective and change majors less often.

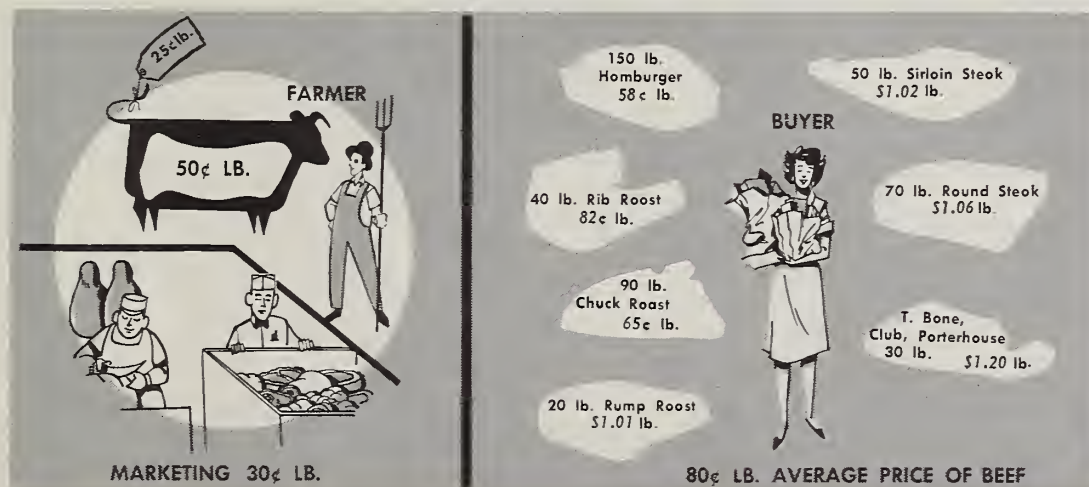
Money Big Factor in College Plans

Nearness to home and cost are the things rural youth in Utah consider most in selecting a college.

A survey of 287 high school seniors in 3 rural counties during 1960-61 indicated that more than half wanted to go on to college but less than half expected to. The reasons most often given for not enrolling in school were lack of finances and marriage.

Most of the youth enrolled were concentrated in colleges within the State because of lower tuition rates for residents. Most of them planned to attend a junior college and would have to transfer to another school to obtain an A.B. degree. Lower costs at the junior college and the opportunity to live at home were the deciding factors.

By fall, 37 percent of the high school graduates actually had enrolled in college. At the end of their freshman year, 29 percent remained in school. Lack of money was the reason most frequently given for dropping out.



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When the farmer sells a 1,000-pound steer for 25 cents a pound, he is sending to market only 450 pounds of retail cuts, from which he gets an average of about 50 cents a pound. The meat retails for an average of 80 cents a pound. The difference of 30 cents is the cost of marketing.

RECENT ERS PUBLICATIONS

Single copies of the following publications are available free from the Division of Information, MOS, U.S. Department of Agriculture, Washington 25, D.C.

REDUCING COSTS OF HANDLING AND HAULING LIVE CHICKENS FROM FARMS TO PROCESSING PLANTS, George B. Rogers and Edwin T. Bardwell. Marketing Economics Division, USDA, in cooperation with the New Hampshire and Massachusetts Agricultural Experiment Stations. ERS-81.

This report presents some preliminary results of the cost phase of a study in New England during 1957-59. The results will aid managers of assembly firms or assembly departments in integrated firms to increase operating efficiency and reduce costs.

GEOGRAPHIC STRUCTURE OF MILK PRICES 1960-61, W. T. Butz. Marketing Economics Division, USDA. ERS-71.

In marketing milk for fluid use, dealers' buying prices in local markets are influenced by distance of market from the closest major supply area. Comparison of price maps of dealers demonstrated a closer alinement of price between distant markets and major supply areas during 1960-61 than in either 1953-54 or 1957-58.

INPUT-OUTPUT ANALYSIS AS A TOOL IN AGRICULTURAL MARKETING RESEARCH, William H. Waldorf. Marketing Economics Division, USDA. ERS-85 (Reprint from *Agricultural Economics Research*, July 1962).

Illustrates a few of the more obvious applications of input-output research to problems in agricultural marketing and presents a recent special aggregation of the Bureau of Labor Statistics' *Inter-industry Study for 1947* which can serve as a

benchmark for future work in this area.

FARM POPULATION—REVISED ESTIMATES FOR 1941-59. Economic and Statistical Analysis Division, USDA. ERS-90.

In 1960, a new and more restrictive definition of the farm population was adopted by the Department of Agriculture and the Bureau of the Census. This report presents revisions for 1941 through 1959, and explains the methods of revision used.

TAXATION OF TANGIBLE PERSONAL PROPERTY USED IN AGRICULTURE, Harvey Shapiro. Farm Economics Division, USDA. ERS-86.

Reports some of the wide differences in the tax structures in the different States to finance State and local government activities. (See p. 6, this issue.)

LAND REDISTRIBUTION IN MEXICO. Regional Analysis Division, USDA. ERS-Foreign 39. (Originally issued by the Foreign Agricultural Service as FAS-M-112.)

Mexico was one of the first Latin American countries to put into effect an agrarian reform program. This report briefly discusses the history of land reform in Mexico, and describes land distribution methods and the effect of the agrarian reform program.

THE ORGANIZATION OF THE WHOLESALE FRUIT AND VEGETABLE MARKET IN PITTSBURGH, Alden C. Manchester. Marketing Economics Division, USDA. MRR-557.

Describes the organization and operation of the Pittsburgh wholesale fruit and vegetable market; the buying, selling, and operating practices of the market; and the changes that have occurred in the past 30 years. It is the fifth in a group of reports under the general title, *The*

Organization of Wholesale Fruit and Vegetable Markets.

THE SOUTHEASTERN VEGETABLE PROCESSING INDUSTRY: RAW PRODUCT PROCUREMENT, 1960, M. B. Allen and F. W. Williams. Marketing Economics Division, USDA, in cooperation with the Department of Agricultural Economics, Georgia Experiment Station. MRR-560.

A survey of the vegetable processing industry was made in 1961 in Alabama, Florida, Georgia, Mississippi, North Carolina, South Carolina, and Tennessee. Nearly 476 million pounds of vegetables valued at more than \$16 million were processed by these plants in 1960.

MAJOR USES OF LAND AND WATER IN THE UNITED STATES WITH SPECIAL REFERENCE TO AGRICULTURE, SUMMARY FOR 1959, Hugh H. Wooten, Karl Gertel, and William C. Pendleton. Farm Economics Division, USDA. AER-13.

This publication brings together from the many available sources—Federal, State, and private—a summary account of the extent and distribution of the major agricultural land and water uses and a general analysis of the situation as of 1959 to 1961. (See p. 7, this issue.)

THE HIRED FARM WORKING FORCE OF 1960, Reed E. Friend and Robert R. Stansberry, Jr. Economic and Statistical Analysis Division, USDA. AIB-266.

About 3.7 million persons did some farmwork for wages in 1960. The report covers employment patterns, migratory farmworkers, educational attainment, regional comparisons, unemployment, and underemployment. (See p. 6, this issue.)

THE BALANCE SHEET OF AGRICULTURE 1962, Fred L. Garlock, Philip T. Allen, Q. Francis Dallavalle, Lawrence A. Jones,

William H. Scofield, and Frederick D. Stocker. Farm Economics Division, USDA. AIB-270.

Brings together the assets and liabilities of agriculture as though it were one large enterprise. This is the 18th in a series begun in 1940. (See p. 7, this issue.)

BASIC STATISTICS OF THE NATIONAL INVENTORY OF SOIL AND WATER CONSERVATION NEEDS, prepared by the Conservation Needs Inventory Committee of the U.S. Department of Agriculture (eight agencies, including ERS). SB-317.

Includes data on four major aspects of the Nation's agricultural land: Land capacity, by class and subclass; land use, actual in 1958 and expected in 1975; conservation treatment needed on land in each land use; and small watershed projects needed.

FARM OPERATOR LEVEL-OF-LIVING INDEXES FOR COUNTIES OF THE UNITED STATES, 1950 AND 1959, James D. Cowhig. Economic and Statistical Analysis Division, USDA. SB-321.

A new formula for the farm operator level-of-living index is presented in this report. Five items are included in the formula: Aver-

age value of sales per farm, average value of land and buildings per farm, percentage of farms with telephones, with homefreezers and with automobiles.

EDUCATIONAL AND OCCUPATIONAL PROGRESS OF RURAL YOUTH IN UTAH—A FOLLOWUP STUDY, John R. Christiansen, James D. Cowhig, and John W. Payne. Brigham Young University in cooperation with USDA. Social Science Research Bulletin No. 2.

This bulletin describes the educational and occupational experience of rural youths who were high school seniors in 1959 in three Utah counties. In October 1960, 37 percent of all youths in the study were enrolled in college. By April 1961, 29 percent were still enrolled.

THE ORGANIZATION OF THE WHOLESALE FRUIT AND VEGETABLE MARKET IN DALLAS—FORT WORTH, HOUSTON, LITTLE ROCK, Alden C. Manchester. Marketing Economics Division, USDA. MRR-558.

These three markets supply fresh fruits and vegetables to a population of over 3 million persons. This report describes these three wholesale fruit and vegetable mar-

kets. It is the sixth in a series that will describe 40 other markets throughout the Nation.

CONVENIENCE FOODS IN THE GROCERY BASKET, Harry H. Harp and Denis F. Dunham. Marketing Economics Division, USDA. Marketing Bulletin No. 22.

The growing popularity of convenience foods is one of the grocery success stories of the past decade. One of the best parts of this story: the increased use of laborsaving and timesaving food preparations need not increase the family grocery bill. (See p. 19, this issue.)

LABOR PERFORMANCE STANDARDS IN SEED WAREHOUSING, C. H. Greene and G. B. Davis. Oregon State University Agricultural Experiment Station in cooperation with USDA. Special Report 135.

Oregon's turf and forage seed industry annually returns to growers an income of over \$15 million. About \$4 million is the value added by processing, storing, and related operations. This report, dealing with labor and equipment performance standards, is the first of a series on costs and efficiencies in seed processing.

PERIODIC REPORTS OF ERS

The Farm INDEX, as its name suggests, is an index to the activities of the Economic Research Service. It is also a guide to the approximately 90 research reports and the more than 40 periodicals published by the agency throughout the year.

Periodicals on farm production costs and returns and farm real estate include: *Farm Costs and Returns . . . Commercial Farms by Type, Size, and Location*. *Changes in Farm Production and Efficiency*. *The Balance Sheet of Agriculture*. *Farm Real Estate Taxes*. *Farm Real Estate Debt*, all annual;

Farm-Mortgage Lending Experience, quarterly; and *Current Developments in the Farm Real Estate Market*, three times a year.

Situation and outlook reports carry information on various current aspects of the agricultural economy as well as forecasts for the coming season or year. They are: the *Demand and Price Situation*, *Farm Income Situation*, *Marketing and Transportation Situation*, and *National Food Situation*, all published quarterly.

Some 12 other situation reports are issued on the major commodi-

ties. The publications cover cotton, dairy, fats and oils, feed, fruit, livestock and meat, poultry and eggs, rice, tobacco, vegetables, wheat, and wool.

The Agricultural Outlook Digest is a two-page summary of the agricultural outlook taken from the *Demand and Price Situation*.

Other situation reports are: *The Farm Cost Situation*, semiannual; *The World Agricultural Situation*, annual; and the *Agricultural Finance Outlook*, annual.

A special report, *Consumer Purchases of Citrus and Other Juices*,



is issued monthly, along with two annual reports: *Consumer Purchases of Prune Juice by Regions and Retail Outlets* and *Consumer Purchases of Citrus and Other Juices, by Family Characteristics*.

Regular information about the

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Million See ERS Exhibit

More than a million people attended the Illinois State Fair in Springfield, August 10-19, where a World Food Budget Exhibit based on a major ERS study of world food needs was shown.

The five-panel exhibit, with revolving globe, shows that two-thirds of the world's people are underfed. Principal food deficit areas in Latin America, Africa, and Asia are shown on the globe.

After leaving Illinois, the exhibit was displayed at the Michigan State Fair in Detroit, August 24-September 3.

The exhibit was also shown in Washington at the World Food Forum in May.

The exhibit itself is available free to any Government or private group. Exhibitors must, however, pay transportation, assembly, electricity, and other incidentals.

farm population, manpower, and the level of living in rural areas is published in *Farm Population Estimates*, annual, and the *Hired Farm Working Force*, annual. The *Census-ERS Series* is prepared in cooperation with the Bureau of the Census and includes a variety of annual reports on the characteristics of the farm population. One other report in this subject area, *Farm-Operator Family Level-of-Living Indexes for Counties of the United States*, is published every 5 years.

There is one monthly periodical in the field of foreign trade published under the title *Foreign Agricultural Trade of the United States*. Four annual supplements provide calendar and fiscal year information on trade by commodities and trade by countries. Another annual supplement provides data on fiscal year imports of fruits and vegetables under quarantine. Semi-annual and annual reports on the external financial position of foreign countries are published as *Foreign Agricultural Economics* circulars.

In addition to the above, the Economic Research Service publishes the *Agricultural Finance Re-*

view, annual, which deals with current developments and research findings on the subject. The agency also publishes the quarterly *Agricultural Economics Research* which contains technical articles about the methods, results, and findings of research.

Copies of periodicals can be obtained free from the Division of Information, Management Operations Staff, Agricultural Economics, U.S. Department of Agriculture, Washington 25, D.C.

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Outlook Conference Set for November

The 40th Annual National Agricultural Outlook Conference will be held in Washington, November 13-16.

The meeting will bring together economists of land-grant colleges and universities from the 50 States with those of the USDA, other Government agencies, and private organizations.

The 4-day program will consist of sessions covering the agricultural situation and outlook for 1963 and special commodity meetings.